



MYTHS & FACTS ABOUT THE BIODIESEL INDUSTRY

Biodiesel: *A domestic, renewable, environmentally superior fuel for diesel engines that is derived from natural oils and meets strict ASTM specifications.*

Myth:

Biodiesel is an experimental fuel and has not been thoroughly tested.

Fact:

Numerous studies have been conducted by a wide range of federal agencies and private institutions in virtually all types of diesel engines, on millions of road and off-road miles, and over innumerable marine hours. The research has decisively established biodiesel as one of the most extensively tested alternative fuels on the market, and shown that while biodiesel performs similarly to petroleum diesel, it is the favored alternative for protecting the environment and human health.

Myth:

Biodiesel is essentially raw vegetable oil.

Fact:

Fuel-grade biodiesel is produced from any fat- or plant-based oil to strict industry specifications (American Society for Testing and Materials/ASTM D6751) through a refinery process called transesterification. Raw vegetable oil cannot meet biodiesel fuel specifications, nor is it legally registered with the Environmental Protection Agency as a permissible motor fuel for sale and distribution.

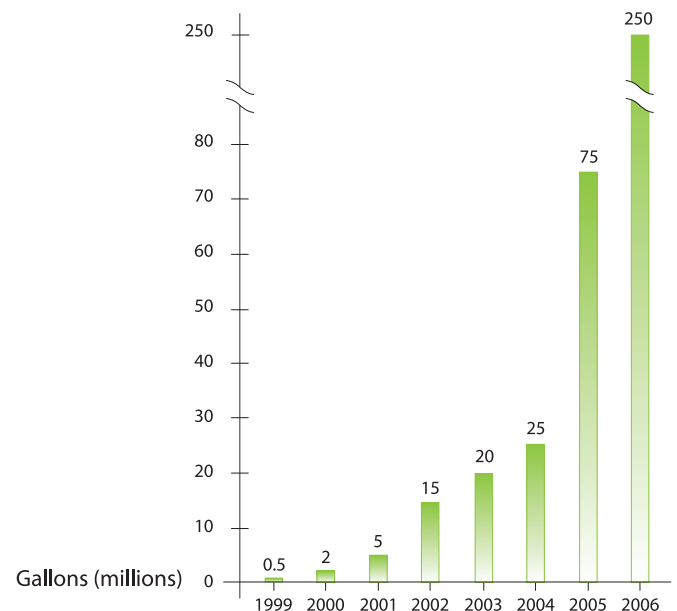
Myth:

The U.S. has only a limited market for biodiesel fuel.

Fact:

U.S. biodiesel sales are setting a record pace, particularly for alternative fuels. The Biodiesel Promotion and Quality Assurance Act of 2007 was introduced in the U.S. House in October, 2007, to create a stable domestic market for biodiesel by dedicating a portion of the nation's 60-billion gallon diesel pool to biodiesel and other bio-based replacement diesel fuels. The legislation also offers recognition of biodiesel's contribution as a blend component to diesel fuel and creates a minimum usage requirement for biodiesel and bio-based replacement diesel.

The following U.S. sales volume estimates were provided by the National Biodiesel Board:





MYTHS & FACTS ABOUT THE BIODIESEL INDUSTRY

Myth:

There is no government incentive to support development of a biodiesel industry.

Fact:

The Biodiesel and Renewable Fuels Credit for biodiesel and biodiesel blends was established as part of the American JOBS Creation Act of 2004. The excise and income tax credit gives back one cent per percentage point of plant-based biodiesel that is blended with petroleum diesel; and a half cent per percentage point for biodiesel made from alternative sources such as recycled cooking oil. The tax incentives boost the confidence of the biodiesel industry and encourage continued growth, while keeping the cost of biodiesel cost-competitive with traditional fuels.

Myth:

There is no objective biodiesel standard for fuel formulation.

Fact:

The ASTM's biodiesel industry taskforce was formed in 1994 to monitor and set standards for biodiesel producers and blenders. ASTM issued the official Standard Specification for Biodiesel Fuel Blend Stock (D-6751) in December 2001. Copies are available at <http://www.astm.org>.

Myth:

Biodiesel does not have sufficient shelf life.

Fact:

The current industry standard is to use biodiesel within six months, or to re-test the fuel after six months to ensure that it meets ASTM specifications (D-6751). And while petroleum companies typically discourage storage of petroleum diesel longer than six months, a longer shelf life is possible with certain fuel compositions and storage-enhancing additives.



MYTHS & FACTS ABOUT BIODIESEL PERFORMANCE

Myth:

Biodiesel does not perform as well as diesel fuel.

Fact:

Biodiesel can be used in existing engines and fuel injection equipment with little impact on operating performance when compared to petroleum diesel. Currently more than 300 major fleets use biodiesel fuel.

Myth:

Biodiesel does not perform well in cold weather.

Fact:

Just as the common #2 diesel gels in very cold temperatures, so too will biodiesel. Although pure biodiesel has a higher cloud point, typical blends of 20% biodiesel are managed with the same fuel management techniques as #2 diesel. Blends of 5% biodiesel and less have virtually no impact on cold flow.

Myth:

Biodiesel causes filters to plug.

Fact:

Biodiesel can be operated in any diesel engine with little or no modification to the engine or the fuel system. Pure biodiesel (B100) has a solvent effect, which may release deposits accumulated on tank walls and pipes from previous diesel fuel use. With high blends of biodiesel, deposits may initially clog filters and precautions should be taken to replace fuel filters until the petroleum build-up is eliminated. Lower-blend levels such as B20 are less likely to cause filters to plug.

Myth:

Biodiesel degrades engine gaskets and seals.

Fact:

The recent switch to low-sulfur diesel fuel has caused most Original Equipment Manufacturers (OEMs) to switch to components that are also suitable for use with biodiesel. In general, biodiesel used in pure form can soften and degrade certain types of elastomers and natural rubber compounds over time. Using high percent blends can impact fuel system components (primarily fuel hoses and fuel pump seals) that contain elastomer compounds incompatible with biodiesel, although the effect is lessened as the biodiesel blend level is decreased. Experience with B20 has found that no changes to gaskets or hoses are necessary.

Myth:

Engine warranty coverage is at risk.

Fact:

No major U.S. manufacturer maintains a practice of voiding parts and materials workmanship warranties on existing diesel engines.